



Ninety-Eighth Legislature - First Session - 2003
Introducer's Statement of Intent
LB 371

Chairperson: Tom Baker
Committee: Transportation and Telecommunications
Date of Hearing: January 28, 2003

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Nebraska law currently provides that manufacturers of motor vehicles who choose to provide warranties on those vehicles are responsible for the cost of honoring that warranty. The law requires the manufacturer and franchised dealer to provide the service and parts as set out in the warranty. Nebraska law also requires the manufacturer of the motor vehicle to pay the servicing dealer within 30 days at the dealer's retail rate less any discounts given by the dealer.

Some manufacturers of large trucks are including, as original equipment in the truck, engines, transmissions, and rear axels that are manufactured by a third party who provides a separate warranty for those major component parts. The dealer is still required to service that part, but both the motor vehicle manufacturer and the part manufacturer refuse to pay the servicing dealer within 30 days or at the statutory rate. Thus, they both are able to avoid the intent of the law and compel the truck dealer to absorb much of the cost of the manufacturer's warranty.

This bill requires the manufacturer of the truck to be jointly and severally responsible with the manufacturer of those major parts and to pay in accordance with the statute.

Principal Introducer: _____
Senator Ray Aguilar